

for your **Benefit**



Department of Health and Family Services
Division of Health Care Financing

A newsletter for HIRSP members

Winter 2004

Background on your health plan

Facts about funding, enrollment, demographics, and other information about HIRSP

Did you know that the Health Insurance Risk Sharing Plan (HIRSP) is funded not only by your premiums, but also by health care providers and insurers? Or that HIRSP enrollment has doubled in the past three years?

HIRSP was created in 1979 to provide health insurance for persons in Wisconsin who could not obtain health insurance in the private market because of their medical conditions. Since that time, HIRSP has grown and changed significantly. This article will give you some background on how HIRSP operates and how it has grown.

HIRSP funding

Your insurance premiums are not the only source of funding used to pay HIRSP expenses. Funding shares for

HIRSP are determined by state law and consist of the following:

- Policyholder premiums fund 60% of HIRSP costs, but these premiums may not be less than 140% or more than 200% of the rate that would be charged for a comparable policy in the commercial insurance market.
- Health insurance companies fund their required 20% funding share of HIRSP expenses through annual assessments, which are based on the amount of health insurance business each insurer does in Wisconsin.
- Health care providers (excluding pharmacy providers) providing services to HIRSP policyholders, contribute their required 20% funding share toward HIRSP costs through receiving reduced reimbursements on claims.

These health care insurers and health care providers contribute additionally, in equal amounts, the funding used to reduce or “subsidize” the premiums, deductibles, and drug coinsurance out-of-pocket maximums of eligible low-income HIRSP policyholders.

In 2002, paid claims accounted for 96% of total plan costs, while HIRSP administrative costs represented 4% of the total plan costs.

HIRSP Enrollment

In 1982, HIRSP had just 977 enrollees. Currently, HIRSP has more than 17,000 enrollees. As you can see from the graph on page 3, enrollment has increased steadily since 1998; in just four years enrollment more than doubled, going from 7,904 in 1999 to more than 17,000 in 2003.

The largest percentage of HIRSP policyholders are enrolled in Plan 1, Option A (\$1,000 deductible); 49% of policyholders are currently enrolled in this plan. Forty-one percent of policyholders are enrolled in Plan 1, Option B (\$2,500 deductible), and 10% of policyholders are enrolled in Plan 2 (Medicare-eligibles).

Policyholder demographics

HIRSP policyholders range in age and location of residence, but the majority of HIRSP policyholders are females between the ages of 50 and 64 years who reside in the greater Milwaukee area.

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This column answers questions policyholders frequently ask HIRSP Customer Service representatives.

Q: I am a new HIRSP policyholder and am already receiving a reduced premium and deductible. Do I have to reapply for reductions?

A: Yes. All policyholders who receive reductions, regardless of when they began to receive them, must reapply for them each year by May 1. Refer to the article below for more information.

Q: Does my policy carry over my deductible into the next year?

A: Charges that are applied towards your deductible during the last three months of the calendar year are carried over towards your next year's deductible.

Q: Does my policy carry over my coinsurance into the next year?

Reapply for reduced premiums, deductibles, and drug coinsurance by May 1, 2004

Each year, HIRSP offers reductions in premiums, deductibles, and drug coinsurance out-of-pocket maximums to policyholders in selected plans with incomes below \$25,000 per year. To continue to receive these reductions, policyholders must reapply for them each year.

HIRSP will be sending applications in March for reduced premiums, deductibles, and coinsurance to policyholders in Plan 1, Option A, and Plan 2. To apply for a continued reduction, complete the application form or send in a copy of your completed 2003 Schedule H, the Wisconsin Homestead Credit Claim,

HIRSP



Questions and Answers

A regular column of frequently asked questions about HIRSP

A: No. Your policy does not carry over coinsurance on medical services or prescription drugs.

Q: When is my premium payment due?

A: Your premium payment is due by the 20th of the month in which you received your premium notice.

Q: What happens if I did not receive my premium notice?

to HIRSP. The deadline for submission of these materials is May 1, 2004.

Premium reductions currently in effect will remain so until June 30, 2004. Current deductible and drug coinsurance out-of-pocket maximum reductions will remain in effect until December 31, 2004.

HIRSP determines eligibility for reductions each year based on total annual household income from the previous year as defined by the Wisconsin Homestead Credit program. To receive a HIRSP premium reduction, policyholders on Plan 1, Option A, must have a total annual household income of less than

A: Please call HIRSP Customer Service at 1-800-828-4777 to request a premium notice. You can send in your premium without a notice by putting your identification number on your check and mailing it to HIRSP Enrollment at 6406 Bridge Road, Suite 18, Madison, WI 53784-0018.

Q: How can I get a listing of providers in my area?

A: To receive a listing of Medicaid-certified providers, call HIRSP Customer Service at 1-800-828-4777. The Customer Service representative will ask you for a county name and the type of provider (specialty) for which you are looking. The representative will then mail you the listing.

Q: Are HIRSP forms available on the Internet?

A: Yes. You can find HIRSP forms on the HIRSP Web site at dhfs.wisconsin.gov/hirsp/. ■

\$25,000 per year. To receive a reduction of their premium, medical deductible, and drug coinsurance out-of-pocket maximum, Plan 1, Option A, policyholders must have a total annual household income of less than \$20,000. Plan 2 policyholders may receive a reduction of their premium if their total annual household income is less than \$25,000.

Plan 1, Option B, policyholders are not eligible for reductions in their HIRSP premiums, deductibles, or drug coinsurance. In addition, Plan 2 policyholders are not eligible for reductions in their deductibles or drug coinsurance out-of-pocket maximums. ■

Facts about your health plan

Cont. from page 1

Gender

Fifty-six percent of HIRSP policyholders are female.

Age

The majority of policyholders (61%) are between 50 and 64 years of age. The next largest age category is between 25 and 49 years of age, with 30% of policyholders falling into this group. Six percent of policyholders are between 0 and 24 years of age, and 2% of policyholders are 65 or older.

Residence

Policyholders reside in nearly every county in Wisconsin. However, the vast majority of policyholders, 63%, reside in the greater Milwaukee area.

Income

Twenty-three percent of policyholders report an income of less than \$25,000 per year.

HIRSP Administration

The Wisconsin Department of Health and Family Services is responsible for the oversight and administration of HIRSP. Under the Department's oversight and as required by state law, HIRSP's plan administrator carries out daily operational duties such as eligibility determination, claims processing, and premium billing functions.

The majority of HIRSP policyholders are females between the ages of 50 and 64 years who reside in the greater Milwaukee area.

HIRSP has a Board of Governors consisting of 13 individuals. The administrator of the Department's Division of Health Care Financing chairs the Board of Governors. Other members of the board include representatives from the Office of the

Commissioner of Insurance, the insurance industry, the provider community, and the general public.

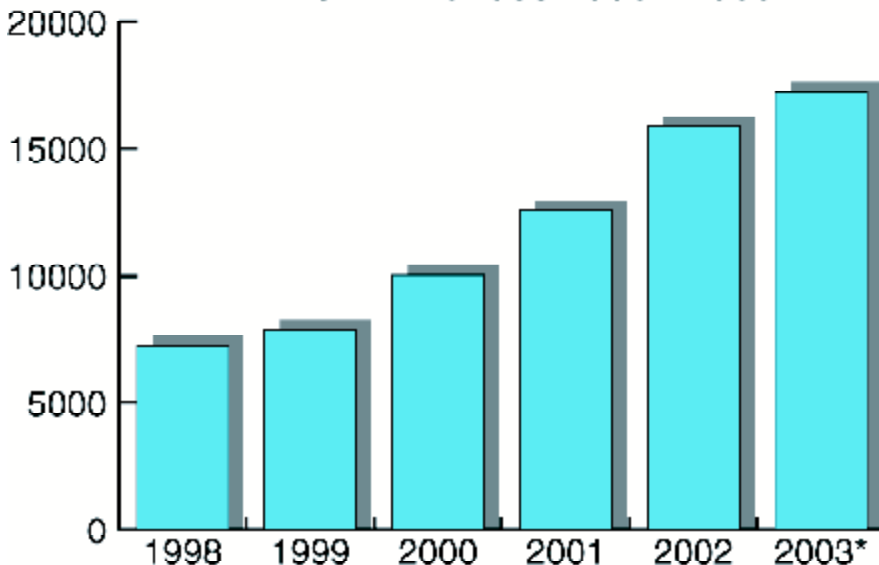
The board is responsible for approving the program budget prepared by the Department, approving administrative contracts, overseeing performance standards for the plan administrator, collecting assessments from insurers, advising the Department on choice of coverage, and other duties outlined in law.

Determining benefits, eligibility, and premiums

While the Department and the HIRSP Board of Governors provide administrative oversight and decision-making, Chapter 149 of the Wisconsin Statutes provides the essential framework of how HIRSP is operated and administered. Some of the direction provided by this chapter of the Wisconsin Statutes includes:

- How HIRSP is funded.
- How premiums are determined.
- What services are covered.
- Who is eligible.
- How claims are paid.
- How subsidies are funded and granted. ■

HIRSP Enrollees 1998 - 2003



* The enrollment total shown for 2003 is based on total HIRSP enrollment as of September 30, 2003.

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For Your Benefit seeks to provide information about the Wisconsin Health Insurance Risk Sharing Plan (HIRSP) for HIRSP members and the public.



For Your Benefit is published by the Wisconsin Department of Health and Family Services, Division of Health Care Financing, and circulated free by request. This newsletter is also published on HIRSP's Web site at dhfs.wisconsin.gov/hirsp/. Other information, forms, notifications, and documents are also available on the HIRSP Web site.

You may write to HIRSP at:
HIRSP
6406 Bridge Rd Ste 18
Madison WI 53784-0018

HIRSP's telephone numbers are:
1-800-828-4777 toll free
1-608-221-4551 in the Madison area

PHC 12765 (02/04)

Travelers: Don't forget to pack a Temporary Certification form

Planning a winter getaway? If you are traveling out of state, be sure to pack a Temporary Certification Provider Data Sheet. Out-of-state providers must fill out and submit this form if they are providing you with nonemergency medical services and have not already been certified by Wisconsin Medicaid. HIRSP will not pay claims for services obtained from providers who are not certified by Wisconsin Medicaid. If you need emergency medical services, the provider may be certified after providing the emergency services.

To obtain a Temporary Certification Provider Data Sheet, either locate it on the Web at dhfs.wisconsin.gov/hirsp/, or call HIRSP Customer Service at 1-800-828-4777 or 1-608-221-4551. ■

We would like to hear from you! If you have ideas or suggestions for articles you would like to see covered in *For Your Benefit*, please send them to the postal address listed at left.